

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

SNAP! MOBILE INC,

CASE NO. C24-1536-KKE

Plaintiff,

ORDER GRANTING MOTION TO REMAND

CASEY O'DONNELL,

Defendant.

Plaintiff Snap! Mobile Inc. (“Snap”) sues its former employee, Defendant Casey O’Donnell, for violating the non-solicitation and confidentiality provisions of a stock option agreement. Snap moves to remand the case because O’Donnell fails to show the amount in controversy exceeds \$75,000. The Court grants the motion to remand.

I. BACKGROUND

Snap runs an online donation platform used by sports teams to raise money. Dkt. No. 1-1 ¶¶ 13–15. O’Donnell was employed by Snap from October 19, 2017, to February 15, 2024. *Id.* ¶¶ 20, 22. Snap alleges that during his employment, O’Donnell agreed to the Snap Option Agreement. *Id.* ¶ 21; Dkt. Nos. 17-1, 17-2. The Snap Option Agreement included non-competition, non-solicitation, and confidentiality provisions. Dkt. No. 17-2 at 17–20. After leaving Snap, O’Donnell began working with SchoolFundr, a competitor of Snap. Dkt. No. 1-1 ¶ 26. Snap alleges that through O’Donnell’s work with SchoolFundr, he violated the non-

1 solicitation and confidentiality provisions of the Snap Option Agreement. *Id.* ¶¶ 26–33. On June
 2 12, 2024, Snap sent O’Donnell a cease-and-desist letter. Dkt. No. 17-5.

3 On August 23, 2024, Snap sued O’Donnell in King County Superior Court for breach of
 4 contract. Dkt. No. 1-1. On September 26, 2024, O’Donnell removed the case to this district under
 5 the Court’s diversity jurisdiction (28 U.S.C. § 1332), arguing the parties are citizens of different
 6 states and “it is clear from the causes of action Plaintiff asserts the amount in controversy exceeds
 7 \$75,000.” Dkt. No. 1 ¶¶ 6–10. O’Donnell then moved to dismiss for lack of personal jurisdiction.
 8 Dkt. No. 8. The next day, Snap moved to remand. Dkt. No. 9. Both motions are fully briefed and
 9 ready for the Court’s consideration. Dkt. Nos. 14–22.

10 II. ANALYSIS

11 The Court will first decide the motion to remand and then, if it retains jurisdiction, will
 12 consider the motion to dismiss for lack of personal jurisdiction. *See Ruhrgas AG v. Marathon Oil*
 13 *Co.*, 526 U.S. 574, 587–88 (1999) (district courts have discretion to consider subject matter
 14 jurisdiction before personal jurisdiction and vice versa).

15 A. Legal Standard on a Motion to Remand

16 “[A]ny civil action brought in a State court of which the district courts of the United States
 17 have original jurisdiction, may be removed by the defendant[.]” 28 U.S.C. § 1441(a). Typically,
 18 it is presumed “that a cause lies outside [the] limited jurisdiction [of the federal courts] and the
 19 burden of establishing the contrary rests upon the party asserting jurisdiction.” *Hunter v. Philip*
 20 *Morris USA*, 582 F.3d 1039, 1042 (9th Cir. 2009). Courts “strictly construe the removal statute
 21 against removal jurisdiction.” *Gaus v. Miles, Inc.*, 980 F.2d 564, 566 (9th Cir. 1992). A case
 22 should be remanded if there is any “doubt regarding the right to removal[.]” *Matheson v.*
 23 *Progressive Specialty Ins. Co.*, 319 F.3d 1089, 1090 (9th Cir. 2003).

1 O'Donnell removed this case based on the Court's diversity jurisdiction which requires
 2 "that the parties be in complete diversity and the amount in controversy exceed \$75,000."
 3 *Matheson*, 319 F.3d at 1090 (citing 28 U.S.C. § 1332). The parties dispute whether the amount in
 4 controversy is met. *See* Dkt. Nos. 9, 16, 20.

5 "[T]he removing party must prove, by a preponderance of the evidence, that the amount in
 6 controversy meets the jurisdictional threshold." *Matheson*, 319 F.3d at 1090; *see also Gaus*, 980
 7 F.2d at 566 ("The strong presumption against removal jurisdiction means that the defendant always
 8 has the burden of establishing that removal is proper."). The amount in controversy can include
 9 "damages (compensatory, punitive, or otherwise) and the cost of complying with an injunction, as
 10 well as attorneys' fees awarded under fee shifting statutes." *Ten Bridges, LLC v. Midas Mulligan, LLC*,
 11 522 F. Supp. 3d 856, 871 (W.D. Wash. 2021) (citing *Gonzales v. CarMax Auto Superstores, LLC*,
 12 840 F.3d 644, 648 (9th Cir. 2016)). The Court will consider "facts presented in the removal
 13 petition as well as any summary-judgment-type evidence relevant to the amount in controversy at
 14 the time of removal. Conclusory allegations as to the amount in controversy are insufficient."
 15 *Matheson*, 319 F.3d at 1090–91.

16 **B. O'Donnell Fails to Establish the Amount in Controversy Exceeds \$75,000.**

17 Snap does not allege a specific amount of damages in its complaint but alleges it "is entitled
 18 to recover [Snap's] losses, attorney fees, costs, and litigation expenses[.]" Dkt. No. 1-1 at 7. Snap
 19 seeks injunctive relief, actual damages, "disgorgement of compensation Defendant received[,]"
 20 and prejudgment interest. *Id.* at 7–8. In response to Snap's motion to remand, O'Donnell argues
 21 the amount in controversy exceeds \$75,000 because Snap seeks an injunction and Snap's cease-
 22 and-desist letter referenced a prior action against Daniel Chinea wherein Snap was awarded a
 23 judgment of \$374,088.72, inclusive of attorney's fees. Dkt. No. 16 at 5–7. Snap replied to the
 24

1 motion to remand differentiating the Chinea judgment and providing evidence of six similar
 2 incidents where Snap obtained solely injunctive relief or a monetary award less than \$75,000. Dkt.
 3 No. 20. Snap also filed a notice of supplemental authority that Honorable Judge Martinez, a judge
 4 from this district, recently granted Snap's motion to remand in an identical case against a different
 5 ex-employee who went to work for SchoolFundr. *See Snap! Mobile, Inc. v. Miller*, No. C24-
 6 1569RSM, 2024 WL 4664094 (W.D. Wash. Nov. 4, 2024).¹ The Court does not find persuasive
 7 either of O'Donnell's arguments in opposition to remand.

8 First, O'Donnell does not provide evidence that Snap's sought injunction should be valued
 9 at over \$75,000.

10 The "value" of injunctive relief is determined by calculating the defendant's
 11 costs of compliance: "where the value of a plaintiff's potential recovery...is
 12 below the jurisdictional amount, but the potential cost to the defendant of
 13 complying with the injunction exceeds that amount, it is the latter that
 14 represents the amount in controversy for jurisdictional purposes."

15 *Rodgers v. Cent. Locating Serv., Ltd.*, 412 F. Supp. 2d 1171, 1179–80 (W.D. Wash. 2006) (quoting
 16 *In re Ford Motor Co.*, 264 F.3d 952, 958 (9th Cir. 2001)). Snap seeks an injunction to stop the
 17 "immediate and irreparable harm" from O'Donnell's breaches of the non-solicitation and
 18 confidentiality provisions of the Snap Option Agreement. Dkt. No. 1-1 at 7. O'Donnell argues
 19 the value of this injunctive relief exceeds \$75,000 because Snap has raised over \$900 million for
 20 its clients since 2014. Dkt. No. 16 at 5. O'Donnell's reasoning is flawed. Nothing about how
 21 much Snap has raised for its clients over ten years evidences the cost to O'Donnell of complying
 22 with the sought injunction, or the benefit to Snap from the injunction. Without more explanation
 23 of how Snap's total fundraising relates to the harm allegedly caused by O'Donnell, O'Donnell has

24 ¹ A third complaint against another ex-employee who went to work for SchoolFundr is also pending in this district.
SNAP! Mobile Inc. v. Bullington, No. 2:24-cv-01610-LK (W.D. Wash. filed Oct. 4, 2024) (motion to remand pending).

1 failed to provide evidence of the value of the injunctive relief, let alone that it would exceed
2 \$75,000.

3 Second, the evidence of what Snap has recovered in similar actions favors remand. Both
4 parties provided evidence of the outcome of other cases. *See* Dkt. Nos. 17-3, 21-1–21-6. While
5 most cases cited resulted in damage awards to Snap far below the \$75,000 jurisdictional threshold,
6 most of those cases appear to arise from breaches of other types of contracts, not the Snap Option
7 Agreement. Thus, their usefulness for demonstrating the potential damages here is limited. Dkt.
8 Nos. 21-2, 21-4–21-6 (based on breaches of the Sales Representative Agreement), Dkt. No. 20 at
9 4 (“[T]he claims against Chinea were based on his Employment Agreement with Snap[.]”). But
10 based on this record, the evidence of other judgments in similar matters, and noting the unique
11 circumstances² that led to the Chinea judgment (Dkt. No. 20 at 7), the Court finds O’Donnell has
12 not met his burden to show the amount in controversy exceeds \$75,000. *See Miller*, 2024 WL
13 4664094, *2 (“Although it is reasonable for the Court to look at the Chinea judgment to inform
14 the amount in controversy, ultimately it is inconclusive for the reasons cited by Snap....Snap has
15 adequately demonstrated, with multiple examples, that it can bring a case such as this and obtain
16 less than \$75,000.”).

17 Accordingly, the motion to remand is granted.

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23 ² The Court does not find it persuasive that the agreement in Chinea included a fee shifting provision and the Snap
24 Option Agreement does not (Dkt. No. 20 at 4) because, whether Snap is entitled to attorneys’ fees or not, Snap seeks
recovery of its attorney’s fees in its complaint. Dkt. No. 1-1 ¶ 41 (“Snap is entitled to recover its losses, attorney fees,
costs, and litigation expenses for Defendant’s breaches of contract.”).

III. CONCLUSION

For these reasons, the motion to remand is GRANTED. Dkt. No. 9. All pending motions are TERMINATED as MOOT. This case is hereby REMANDED to King County Superior Court.

The Clerk is instructed to close the case.

Dated this 10th day of December, 2024.

Kimberly A. Hanson

Kymberly K. Evanson
United States District Judge